ANNUAL REPORT
for the year 2013-2014

The Nova Scotia Crop and Livestock Insurance Commission

Growing Forward 2

A federal-provincial-territorial initiative

NOVA SCOTIA

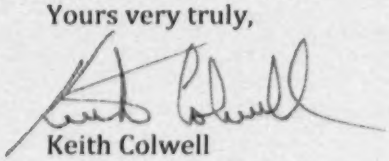
Canada

His Honour
Brigadier-General The Honourable J. J. Grant
Lieutenant-Governor of Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the year ended March 31, 2014.

I am, Your Honour,
Yours very truly,



Keith Colwell
Minister of Agriculture

The Honourable Keith Colwell
Minister of Agriculture

Dear Sir:

We have the honour to herewith submit the fortieth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ending March 31, 2014. Included in this report is a summary of operations, the audited financial statements, and statistical information for the programs under the authority of the Commission.

Respectfully submitted,
Nova Scotia Crop and Livestock
Insurance Commission

A. Bentley
Chair

B. MacLeod
CEO

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COMMISSION OFFICERS

BOARD OF DIRECTORS:

Avard Bentley, Chair Westchester, Cumb. Co.	Arthur Pick, Vice-Chair Centre Rawdon, Hants Co.
Greg Coldwell Port Williams, Kings Co.	James Baillie Tatamagouche, Colchester Co.
R. Michael Walsh Berwick, Kings Co.	John Vissers MacKay Siding, Colchester Co.

PRINCIPAL OFFICERS:

B. MacLeod	– CEO
T.D. Mitchell	– Secretary
H.D. Black	– Accounting Clerk
C.V. Selig & V.E. Goodwin	– Clerk
G.D. Macintosh	– Supervisor, Field Services
A. Parsons-Lushington	– Research and Development Coordinator
M. Stevenson & K. Myers	– Database Administrator

AUDITOR:

Auditor General	– Province of Nova Scotia

SOLICITORS:

J.E. Scott / G.W. Knudsen
C. Thompson

FIELD STAFF:

M.J. Blenkhorn
J.M. Peill
G. Thyssen

PROGRAM BACKGROUND

The Nova Scotia Crop Insurance Act, which was assented to in 1968 and amended in 1978, 2005 and in 2010 to provide for the administration of the Livestock Insurance program, is cited as the Crop and Livestock Insurance Act.

Under the Crop and Livestock Insurance Act, the Commission is responsible to administer the program under the direction, supervision, and control of the Minister of Agriculture.

The Commission administers crop insurance coverage to 14 crop insurance plans and a dairy and poultry livestock insurance program.

Since 2008 the Commission has administered the Canada/Nova Scotia Wildlife Compensation Program.

OBJECTIVES AND RESPONSIBILITIES

The fundamental objective of the Crop and Livestock Insurance Commission is to make available to Nova Scotia farmers insurance-based programs that will assist in years of reduced yields, lower revenue, and losses due to insurable perils.

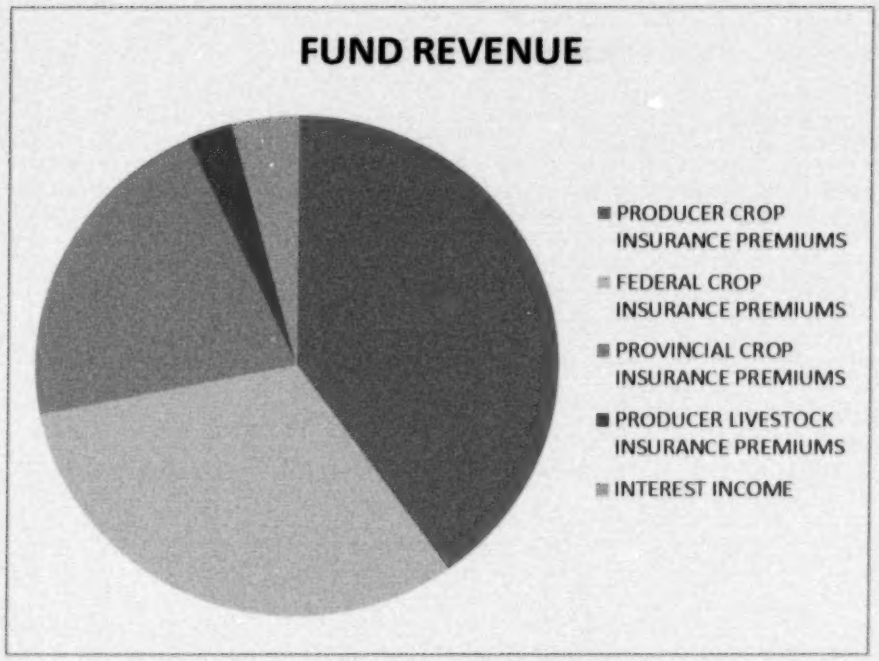
In the interest of efficiency of operations and convenience to farmers, the programs are administered by a common staff, but each program stands on its own. Separate accounting for premium and indemnities is maintained for each program. Administration expenses are proportioned to each program.

FINANCIAL PARTICIPATION

The administration of the Crop and Livestock Insurance program is the responsibility of the Commission. It is subject to the provisions under Growing Forward 2, a Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy. Crop and Livestock Insurance in Nova Scotia is delivered under the authority of the Crop and Livestock Insurance Act.

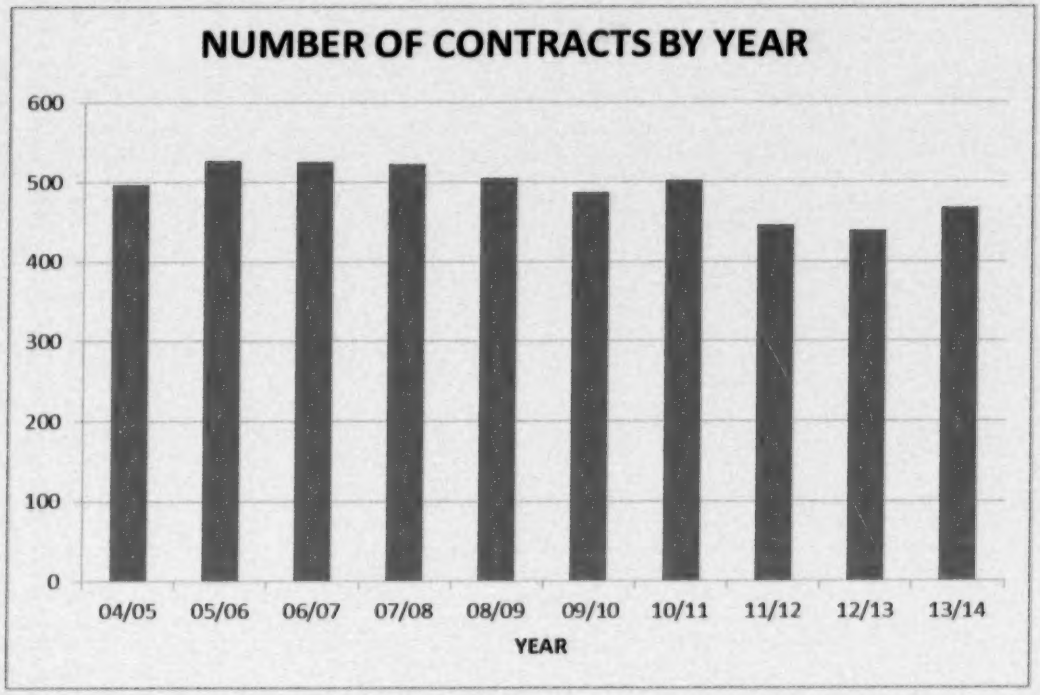
The governments of Nova Scotia and Canada each contribute a percentage of administration expenses for crop insurance and wildlife compensation. Administration expenses for other programs administered by the Commission are the responsibility of the Province.

For 2013-14, the government of Nova Scotia contributed approximately 40 per cent of the total administration costs and 24 per cent of the crop insurance premium. The Government of Canada contributed 60 per cent of the total administration costs and 36 per cent of the premium for crop insurance programs.



INSURANCE PLANS IN FORCE

Spring Grain	– oats, barley, wheat, and mixed grain
Winter Grain	– rye, wheat, triticale
Tree Fruit	– apples, pears, peaches
Tree Insurance	– apples, pears
Corn-	– silage, grain, high moisture
Blueberries	– lowbush and highbush blueberries
Strawberries	– June Bearing, Day Neutral
Raspberries	–
Forage	– establishment year
Soybeans	– soybeans, canola, sunflowers
Potatoes	– processing, seed, table
Vegetables	– broccoli, brussels sprouts, cauliflower, cabbage, fresh carrots, lettuce, onions, parsnips, processing carrots, rutabagas and winter squash
Weather Derivative	–
Maple	–
Dairy	– dairy cows, heifers and calves; loss of income benefit
Poultry	– broilers, pullets, layers, breeders



FEATURES OF THE CROP INSURANCE PLANS

Designated Perils

The crop insurance plans protect against loss caused by drought, frost, hail, wind, excessive moisture, insect infestation, plant disease, wildlife, winter injury, unavoidable pollination failure, and off-crop due to adverse weather conditions.

Type of Insurance

For yield based plans, each insured crop is guaranteed a specific yield based upon the past yield records of each insured. When no past records are available, a bench mark, either provincial or industry averages, is used.

For non-yield based plans (weather) the guarantee is based on other specific measureables, such as total precipitation (or lack of) for a specified area which is known to result in a loss of crop production or quality.

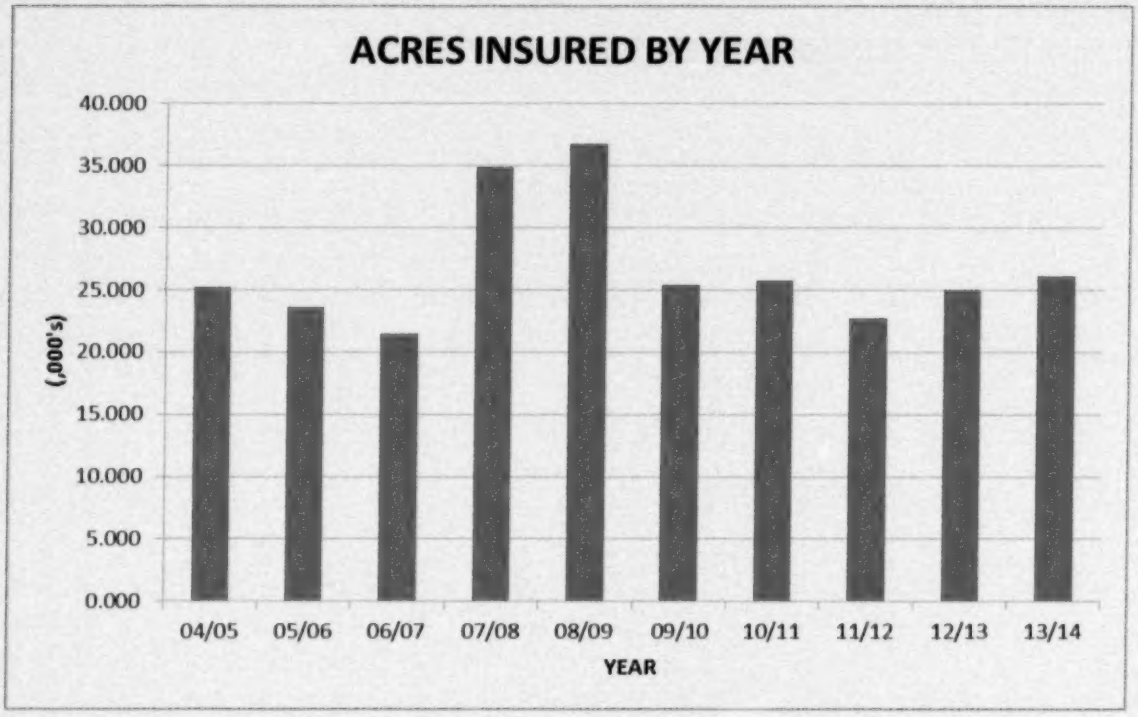
Quality Guarantee

Quality losses are taken into consideration with certain plans such as tree fruit, corn, and spring and winter grain as well as weather.

Premium Discount/Surcharge

The base premium rate for all insurance plans, with the exception of forage, tree endorsement, and poultry, is adjusted by giving a discount when indemnities paid are less than premium paid or by adding a surcharge when indemnities paid exceed premium. The maximum discount shall be 50% and the maximum surcharge shall be 100%.

Other Programs:
The Nova Scotia Crop and Livestock Insurance Commission administers a compensation program to Nova Scotia farmers for losses to specified crops or livestock as a direct result of the activities of wildlife. There is no requirement for producers to be enrolled in Crop Insurance to obtain a compensation payment. The Province of Nova Scotia and the Government of Canada contribute 40% and 60% respectively for the cost for administration and compensation payments.



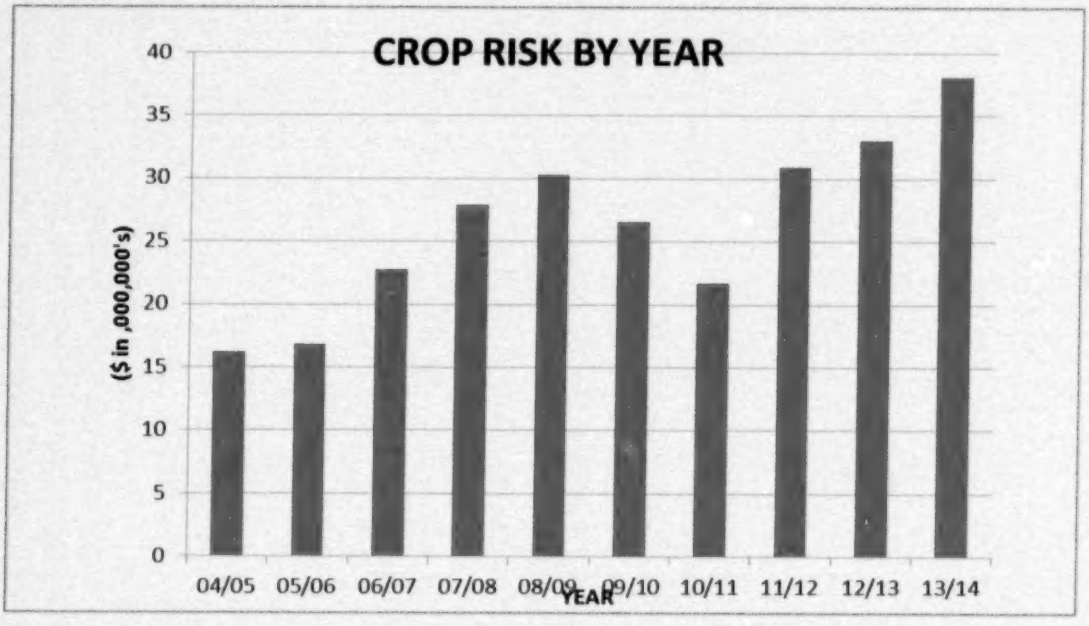
STATISTICAL SUMMARIES
ANNUAL SUMMARY OF INSURANCE PLANS 2013-14

PLAN	NO. GROWERS	NO. ACRES	TOTAL COVERAGE	TOTAL PREMIUM	TOTAL INDEMNITIES
Spring Grain	32	1,330.04	$214,628.97	$26,098.14	$17,844.29
Tree Fruit	79	2,145.70	$18,018,950.93	$427,660.93	$951,729.57
Forage Est.	2	45.50	$9,100.00	$455.00	0
Corn	79	12,476.29	$5,215,442.80	$209,596.95	$395,666.40
Blueberries	179	6,846.79	$9,451,656.70	$767,449.81	$581,422.25
Strawberries	4	17.61	$97,528.00	$14,123.54	$6,950.00
Raspberries	0	0	0	0	0
Winter Grain*	11	526.67	$151,926.00	$15,534.99	$5,758.85
Potatoes	1	333.90	$340,373.68	$51,362.39	0
Soybeans	37	3,385.16	$1,003,427.61	$56,512.59	$77,196.66
Vegetables	11	303.03	$773,147.95	$119,739.72	$109,565.11
Weather Derivative	22	9,123.10	$2,531,335.20	$140,398.45	$215,523.28
Maple	6	100,825.00(taps)	$213,471.00	$19,323.80	0
Crop Summary	**463**	**137,358.79**	**$38,020,989.00**	**$1,848,256.31**	**$2,361,656.41**
	Herds	**Animals/Birds**			
Loss Income	1		$11,432,134.66	0	0
Livestock	105	16,131	$23,801,200.00	$33,134.19	$33,000.00
Poultry	169	40,774,938	$88,194,962.00	$23,123.38	0
Totals		**40,791,069**	**$161,449,285.50**	**$1,904.513.88**	**$2,394,656.41**

*Winter Grain claims reflect crop year 2013

SUMMARY OF CROP INSURANCE PLANS
(1969–70 to 2013-14 CROP YEARS INCLUSIVE)

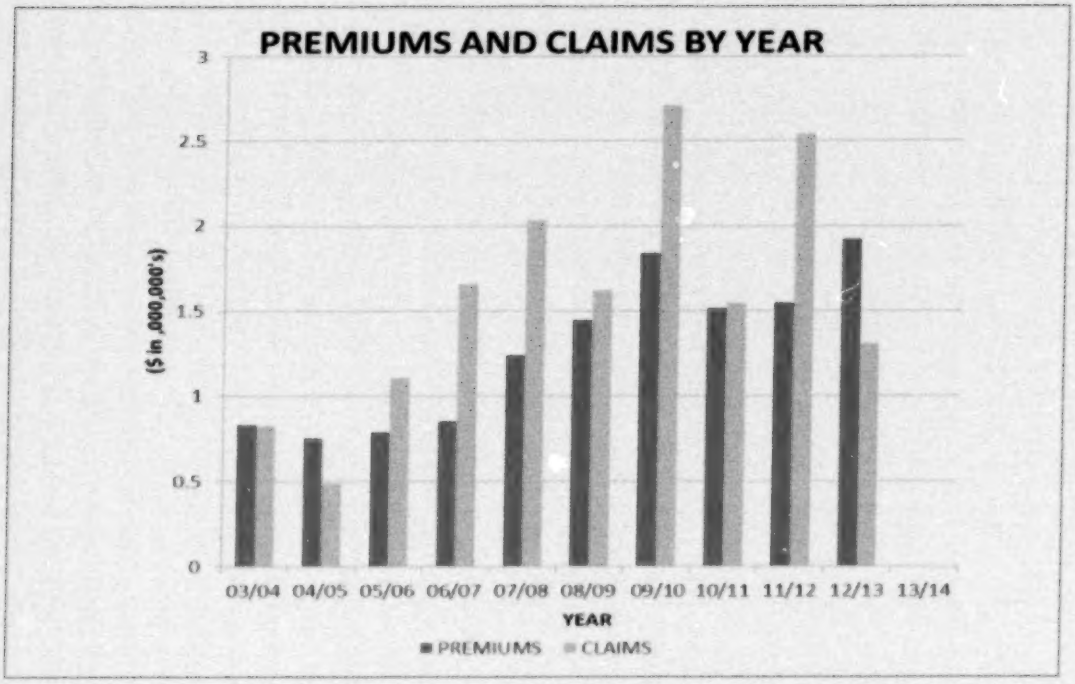
PLAN	NO. YEARS	NO. CLAIMS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
Spring Grain	45	1,819	$1,770,928.26	$2,055,969.91	1.16
Winter Grain	44	378	$848,369.94	$903,899.94	1.07
Tree Fruit	44	667	$7,598,954.67	$7,580,294.46	1.00
Tree Insurance	29	22	$375,662.74	$90,705.16	0.24
Tobacco	25	21	$767,809.39	$561,296.33	0.73
Corn	43	640	$2,722,659.17	$2,099,875.48	0.77
Peas & Beans	32	629	$3,140,338.94	$3,315,484.65	1.05
Blueberries	41	1,338	$6,902,033.39	$8,642,740.53	1.25
Strawberries	40	134	$427,918.76	$624,884.32	1.46
Forage Est.	36	154	$106,294.26	$89,305.62	0.84
Soybeans	28	95	$453,039.64	$255,350.93	0.56
Potatoes	27	40	$1,326,305.73	$2,257,560.44	1.70
Raspberries	6	4	$1,429.44	$3,216.60	2.25
Forage Prod.	3	1	$16,983.20	$4,551.38	0.27
Vegetables	14	61	$1,553,150.15	$2,595,006.74	1.67
Weather Derivative	7	65	$792,351.17	$923,589.93	1.17
Maple	4	0	$97,699.95	0	0
TOTAL		**6,068**	**$28,901,928.80**	**32,003,732.42**	**1.11**

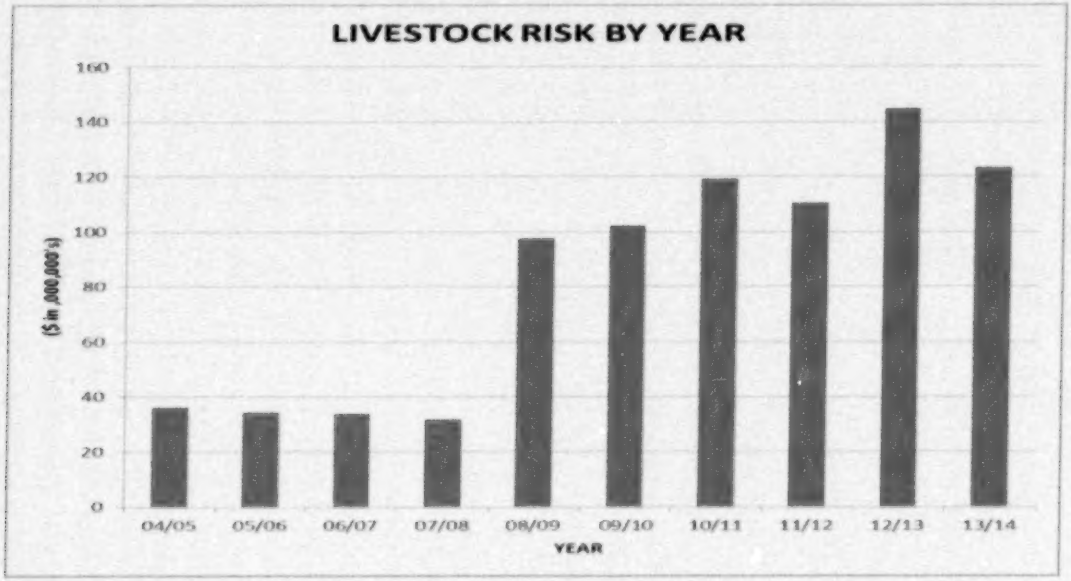


OPERATIONS SUMMARY OF CROP INSURANCE YEARS
(1969-70 to 2013-14 Crop Years Inclusive)

CROP YEARS	NO. CONTRACTS	TOTAL COVERAGE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
2013-2014	463	38,020,989.00	1,848,256.31	2,361,656.41	1.28
2012-2013	438	33,018,952.19	1,858,435.46	1,283,964.39	0.69
2011-2012	446	30,958,118.69	1,541,396.80	2,410,913.00	1.56
2010-2011	501	21,661,518.92	1,453,641.52	1,517,820.84	1.04
2009-2010	574	33,352,632.88	1,793,088.60	2,654,096.74	1.48
2008-2009	504	30,332,865.07	1,445,680.16	1,620,386.29	1.12
2007-2008	522	27,188,516.06	1,233,419.20	2,030,822.80	1.65
2006-2007	525	22,466,132.67	860,560.79	1,656,030.07	1.92
2005-2006	526	16,845,536.59	790,475.19	1,107,701.83	1.40
2004-2005	496	16,161,000.34	749,438.21	486,826.86	0.65
2003-2004	532	16,193,016.04	833,525.55	827,284.94	0.99
2002-2003	532	16,347,492.87	818,650.80	364,453.37	0.45
2001-2002	532	14,805,607.02	660,808.39	914,843.99	1.38
2000-2001	552	14,310,381.33	674,353.56	284,246.26	0.42
1999-2000	540	12,136,267.30	639,559.88	797,459.04	1.25
1998-1999	563	13,893,446.80	646,821.92	933,129.48	1.45
1997-1998	600	11,842,296.94	587,480.80	772,721.07	1.32
1996-1997	553	11,181,624.19	572,589.79	466,881.74	0.82
1995-1996	580	11,321,945.62	546,030.04	326,525.71	0.60
1994-1995	568	11,164,842.39	577,366.31	535,838.81	0.93
1993-1994	577	11,409,076.02	623,830.52	927,816.14	1.49
1992-1993	624	10,904,552.94	657,657.87	200,655.25	0.31
1991-1992	544	12,184,356.19	634,945.12	1,411,800.88	2.22
1990-1991	568	10,304,249.40	574,316.40	357,824.57	0.62
1989-1990	604	10,790,684.96	545,818.31	879,678.97	1.61
1988-1989	532	10,327,601.34	536,984.92	100,853.06	0.19
1987-1988	597	10,361,043.62	537,153.84	158,436.63	0.29
1986-1987	730	10,403,518.12	498,145.77	1,391,264.35	2.79
1985-1986	730	10,270,802.44	453,493.02	503,450.98	1.11
1984-1985	740	8,842,444.23	447,720.90	132,831.31	0.30
1983-1984	775	7,103,107.33	444,870.21	442,181.20	0.99
1982-1983	760	6,618,768.79	449,727.96	123,888.71	0.28
1981-1982	752	5,854,042.18	401,609.14	219,338.95	0.55
1980-1981	666	4,228,150.76	295,329.10	196,488.55	0.67
1979-1980	695	3,994,307.91	296,406.94	300,974.95	1.02
1978-1979	781	3,730,752.45	284,334.24	131,548.18	0.46
1977-1978	770	3,381,581.47	251,407.28	253,696.31	1.01
1976-1977	602	2,751,869.76	220,219.10	90,559.13	0.41
1975-1976	568	2,274,900.30	198,451.73	169,900.31	0.86
1974-1975	565	2,030,120.33	164,694.03	232,358.15	1.41
1973-1974	492	1,762,978.44	96,519.82	252,505.26	2.62
1972-1973	386	1,553,341.41	77,955.05	78,023.10	1.00
1971-1972	364	777,955.53	32,884.51	50,406.29	1.53
1970-1971	345	823,244.95	31,954.54	35,304.14	1.10
1969-1970	277	310,831.53	15,157.96	8,043.41	0.53
TOTAL		**$ 555,887,783.15**	**$ 28,901,928.80**	**$32,003,732.42**	**1.11**

Since the program's implementation in 1969, for every dollar collected in premium **$1.11** has been paid out in claims.


PREMIUMS AND CLAIMS BY YEAR
($ in ,000,000's)
3
2.5
2
1.5
1
0.5
0
03/04 04/05 05/06 06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14
YEAR
PREMIUMS
CLAIMS


LIVESTOCK RISK BY YEAR
($ in ,000,000's)
160
140
120
100
80
60
40
20
0
04/05 05/06 06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14
YEAR

SUMMARY OF DAIRY LIVESTOCK INSURANCE PLAN
(APRIL 1, 1978 - MARCH 31, 2014)

YEARS	NO. INSURED HERDS	INSURED ANIMALS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
2013-2014	105	16,131	33,134.19	33,000.00	1.00
2012-2013	115	21,570	40,732.89	24,600.00	0.60
2011-2012	105	16,579	27,710.12	139,426.40	5.03
2010-2011	115	17,782	33,048.94	28,400.00	0.86
2009-2010	116	17,701	32,090.80	55,600.00	1.73
2008-2009	122	17,934	31,403.59	32,600.00	1.04
2007-2008	128	18,163	30,051.17	174,473.03	5.81
2006-2007	131	17,790	28,564.70	17,000.00	0.60
2005-2006	140	18,670	30,530.51	10,800.00	0.35
2004-2005	148	19,807	33,767.77	4,000.00	0.12
2003-2004	165	20,749	34,980.83	47,640.00	1.36
2002-2003	179	21,769	32,864.20	30,144.00	0.92
2001-2002	184	21,640	20,858.02	14,210.00	0.68
2000-2001	182	20,252	19,538.76	197,632.22	10.11
1999-2000	203	21,531	17,108.54	17,400.00	1.02
1998-1999	212	22,087	17,475.34	55,104.68	3.15
1997-1998	232	22,857	17,797.26	44,679.34	2.51
1996-1997	240	22,801	25,891.18	47,960.58	1.85
1995-1996	252	22,866	26,219.52	7,270.22	0.28
1994-1995	263	23,053	26,720.66	6,400.00	0.24
1993-1994	231	20,572	24,979.34	16,400.00	0.66
1992-1993	242	21,224	26,093.76	3,752.66	0.14
1991-1992	259	22,739	28,987.80	17,157.20	0.59
1990-1991	282	23,771	30,883.99	7,600.00	0.25
1989-1990	217	26,221	35,295.12	10,130.00	0.29
1988-1989	313	25,913	35,507.84	7,639.50	0.22
1987-1988	306	25,500	39,104.26	3,200.00	0.08
1986-1987	300	24,705	38,929.11	17,593.05	0.45
1985-1986	265	22,662	39,200.03	36,775.90	0.94
1984-1985	219	18,263	42,042.80	14,459.00	0.34
1983-1984	209	18,037	43,820.40	3,400.00	0.08
1982-1983	205	17,253	42,423.00	21,133.16	0.50
1981-1982	249	20,480	53,326.15	16,120.35	0.30
1980-1981	284	22,817	77,919.61	53,089.50	0.68
1979-1980	403	29,491	86,731.88	60,501.10	0.70
1978-1979	352	26,121	59,198.14	31,744.50	0.54
TOTAL			**$1,264,932.22**	**$1,309036.39**	**1.03**

Since the program's implementation in 1978, for every dollar collected in premium $1.03 has been paid out in claims.

DAIRY LIVESTOCK INSURANCE CLAIMS SUMMARY
(APRIL 1, 2012 - MARCH 31, 2013)

Insurable Perils	No. Animals	Total Claims Paid
1. Shipping Fever	24	$ 33,000.00
2. Reportable Diseases	0	0
3. Infectious Bovine Rhinotracheitis	0	0
4. Other	0	0
5. Loss of Income	0	0

CLAIM SUMMARY RE: DAIRY LIVESTOCK INSURANCE PLAN
(APRIL 1, 1978 - MARCH 31, 2014)

Insurable Perils	No. Animals	Total Claims Paid
1. Acute Mastitis*	108	$ 104,291.40
2. Shipping Fever	575	$ 664,865.54
3. Infectious Bovine Rhinotracheitis	58	$ 49,137.18
4. Brucellosis	2	$ 810.70
5. Loss of Income	0	$ 473,731.57
6. Other	14	$ 16,200.00
TOTAL	**733**	**$ 1,309,036.39**

*This peril no longer covered

SUMMARY OF POULTRY LIVESTOCK INSURANCE PLAN
(OCTOBER 1, 2007 - MARCH 31, 2014)

Years	No. Insured Flocks	No. Insured Birds	Total Premium	Claims Paid	Loss Ratio
2013-2014	169	40,774,938	$23,123.38	$0.00	0.00
2012-2013	121	48,124,847	$25,177.01	$0.00	0.00
2011-2012	110	36.990,059	$21,682.81	$0.00	0.00
2010-2011	129	46,596,231	$21,976.35	$0.00	0.00
2009-2010	106	36,456,512	$27,244.76	$0.00	0.00
2008-2009	89	40,689,660	$11,999.38	$0.00	0.00
2007-2008	170	6,090,671	$ 1,739.15	$0.00	0.00
Total			**$132,942.84**	**$0.00**	**0.00**

SUMMARY OF POULTRY LIVESTOCK INSURANCE PLAN
(2007-2008 to 2013-14 POULTRY YEARS INCLUSIVE)

Plan	No. Years	No. Claims	Total Premium	Claims Paid	Loss Ratio
Broiler (CHK)	7	0	$ 55,271.13	0	0
Commercial Pullet (PUL)	7	0	$ 7,049.66	0	0
Broiler Breeder (BRB)	7	0	$ 13,217.19	0	0
Breeder Pullet (BRP)	7	0	$ 2,377.41	0	0
Commercial Layer (CLR)	7	0	$ 51,199.84	0	0
Integrated Layer (ILR)	7	0	$ 3,827.61	0	0
Total		**0**	**$132,942.84**	**$0.00**	**0.00**

SUMMARY OF WILDLIFE COMPENSATION
(MAY 8, 2008 - MARCH 31, 2014)

Year	No. Years	No. Commodities	No. Claims	Claims Paid
2013-2014	6	20	96	$ 77,381.48
2012-2013	5	20	107	$ 81,765.00
2011-2012	4	20	162	$ 182,913.81
2010-2011	3	18	157	$ 201,201.13
2009-2010	2	18	129	$ 146,554.05
2008-2009	1	18	60	$ 109,868.03
Total			**711**	**$799,683.50**

SUMMARY OF WILDLIFE COMPENSATION
(2008-2014 WILDLIFE YEARS INCLUSIVE)

PLAN	No. Years	No. Claims	Claims Paid
Bees	6	62	$41,184.00
Beehive	6	77	$32,282.03
Hive Contents	6	9	$1,304.00
Beef Cow	6	4	$1,920.00
Beef Calf	6	50	$8,960.00
Beef Bull	6	0	$0.00
Beef Steer	6	2	$1,120.00
Lowbush Blueberries	6	53	$109,293.31
Strawberries	6	14	$87,227.99
Ewe	6	144	$36,620.00
Lamb	6	163	$34,035.00
Ram	6	15	$3,540.00
Tree Endorsement	6	7	$3,160.80
Apples	6	26	$250,810.46
Vegetable	6	12	$89,359.78
Corn Silage	6	39	$44,644.33
Grain Corn	6	18	$20,475.66
Soybean	6	11	$14,485.36
Grapes	3	2	$18,720.78
Kid	3	1	$60.00
Doe	3	2	$480.00
TOTAL		**711**	**$799,683.50**

2013-14 Summary

The Commission wrote $161.5 million in coverage in 2013-14. This represented a 10% decrease in coverage over the previous year. Insurance coverage was broken down as 24% for crops, 22% for dairy and 54% for poultry. The total premium collected was $1.911 million, which represented a decrease of less than 1% over the previous year. This decrease was mainly a result of lower premium collected for livestock insurance in both Dairy and Poultry compared to the previous year. Crop premiums saw a modest increase.

The 2013 cropping season saw an early start with warm dry conditions initially followed by several weeks of cool wet weather which slowed seeding and germination. Weather conditions were also not favorable for normal pollination in perennial crops. Wet weather also affected the forage harvest. The fall was variable with several rainfall events. Insect damage to maple trees was considerable in some locations which could impact harvest in 2014. A virus complex in strawberries severely impacted the provinces industry. Only a small portion of the industry was insured and of those most sustained a moderate degree of damage.

The cropping conditions in 2013 resulted in the payment of 153 indemnity payments to insured clients totaling $2.362 million. These indemnity payments were 181% more than the previous year. The payments made in 2013 represented a significant amount of support to producers to help manage some of the natural risks they faced on their farms. For 2013-14 the largest payments were made to tree fruit ($951,729.), lowbush blueberry ($581,422.), corn ($395,666.), weather derivative ($215,523.), vegetables ($109,565.) and soybeans ($77,197.).

Dairy livestock indemnity payments in 2013 totaled $109,565. There were no indemnity payments made in the Poultry ILT Plan. In it's 6th year of operation the Canada Nova Scotia Wildlife Compensation Program made payments for 94 claims totaling $76,981. This represented a decrease of 5% compared to the previous year and a trend of reduced compensation payments over the last 3 years due to reduced participation in this program.

The Commission continued with its developmental work to expand the insurance options available to Nova Scotia producers to assist them with risk management options on their farms. These included:

- The Commission completed revisions to its Tree Fruit Plan and continued with work to update its Potato Plan.

- The Commission has worked with industry stakeholders on possible plan development in sectors such as honeybees, grapes and Christmas trees. This work resulted in requests for continued work from the grape industry and a decision not to proceed with an insurance plan in Christmas trees.

- The Commission continues to work within the regulatory process to update its Dairy Regulation. Stakeholder meetings were held with industry.

- Limited progress was made on development of an acreage loss product during 2013-14.

- Offered to work on potential plan development with both the grape and bee sectors.

- The Commission has met with stakeholder groups during 2013-14 for feedback and information on its Wildlife Compensation Program.

Administratively, the commission continued to address the following priorities:

- The Commission continued to focus internal resources toward improvements to its information technology infrastructure. These system improvements are aimed at achieving a more accurate, reliable, secure and efficient system using a phased approach.

- Staff continued to promote AgriInsurance to agricultural producers across the province through media, Trade Shows and at three (3) Client Information Sessions during 2013-14.

- A major Actuarial Certification was completed for the Commissions premium rate setting, probable yield and self-sustainability methodology. This certification is required under the Growing Forward and Growing Forward 2 Agreements and also addressed several changes to plans being requested by industry stakeholders.

- For six (6) months in 2013-14 the Commission Board was unable to meet as a result of vacancies on the Board. While the Commission was able to maintain its client service standards for the majority of its clients, those requiring Board review did experience longer claim processing times. The commissions inability to meet also negatively impacted the review and approval of regulations and Commission programing.

TABLE 1. ESTIMATE – ACTUAL 2013-14

	Estimate 13-14 (000)s	Actual 13-14 (000)s
Revenues		
Insurance Premiums Paid by Clients	818	855
Insurance Premiums Contributed by Govt (Federal)	736	633
Wildlife Compensation Payments (Federal)	150	46
Insurance Premiums Contributed by Govt (Provincial)	491	422
Wildlife Compensation Payments (Provincial)	100	31
Interest Income	80	82
Recoveries	0	9
Total Revenues	**2,375**	**2,078**
Expenses		
Indemnity Claims	1,800	2,401
Wildlife Compensation Payments	250	77
Reinsurance Premiums	0	0
Bad Debt Expense	5	100
Recoveries	0	9
Total Expenses	**2,055**	**2,587**
Net Income From Insurance Activities	**320**	**(491)**
Net Income From All Activities	**320**	**(509)**
Crop and Livestock Insurance Fund Balance		
Beginning of Year	3,751	4,373
End of Year	4,071	3,864
Administrative Expenses		
Government Contributions (Canada)	604	581
Government Contributions (Nova Scotia)	437	387
Total Administrative Expenses	**1,041**	**968**
Net Govt Expenditure		
Canada (Premium + Administration)	1,490	1,260
Nova Scotia (Premium + Administration)	1,028	840
Total Program Expenditure	**2,518**	**2,100**

PERFORMANCE MEASURES

The core business of the Crop and Livestock Insurance Commission is the delivery of insurance products to the agriculture sector. As one of the pillars of Canada's financial system, insurance plays a key role in stabilizing business incomes by providing opportunities to manage or transfer risk. Crop production is particularly risk laden in that natural perils presented by climate and geography cannot easily be controlled or managed. The intended outcome of the Commission's program is to stabilize farm incomes, and by doing so, support the economic growth of the province.

Outcome: Increased Income Stability of Farm Businesses						
	Measure	**Base/Target (2008-09)**	**Target 2013-14**	**Ultimate Target 2017-18***	**Trends**	**Actual As of March 31/14**
1.	Number of Farms Using Production Insurance	700	750	900	2009-10: 712 2010-11: 745 2011-12: 659 2012-13: 674	741
2.	Value of Insurance Coverage Written: The total dollar value of risk the Commission has accepted from its clients.	*(Millions)* 127.8	*(Millions)* 140	*(Millions)* 150	2009-10: 712 2010-11: 745 2011-12: 659 2012-13: 674	*(Millions)* 161.5
3.	Number of Insurance Products Available	16	16	20	2009-10: 35 2010-11: 37 2011-12: 41 2012-13: 42	16 (42 Crops)
4.	Value of Compensation Paid for Wildlife Damage	$110,000	$200,000	$250,000	2009-10: $146,554 2010-11: $201,201 2011-12: $182,913 2012-13: $ 81,765	$76,981

**2013-14 marks the first year of Growing Forward 2, a Federal Provincial Territorial Framework agreement on Agriculture, Agri-Food and Agri-Based products policy.*

Comments:

1. While continuing a modest trend upward, this measure fell just short of the target due primarily to fewer clients enrolling in winter grain, and dairy plans. As a voluntary, demand driven program, this measure does indicate increasing interest in AgriInsurance program features from the start of Growing Forward.

2. This measure surpassed the target by 15% mainly due to increased coverage in blueberries, corn, tree fruit, winter grain and weather derivative for forage. Increases in coverage are the result of increased production and stronger prices for some commodities along with increased uptake by clients as noted in #1 above.

3. While new crops have been added to existing plans, the actual number of plans offered has not changed dramatically over time. Several potential new plans are being researched with industry consultation.

4. This measure has been trending down over the last 3-4 years, with a significant drop in 2012-13. This program is a voluntary program and reduced compensation may be attributed to a combination of low reporting and/or reduced damage from wildlife.

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
FINANCIAL STATEMENTS
MARCH 31, 2014

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
FINANCIAL STATEMENTS
MARCH 31, 2014

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Nova Scotia

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Nova Scotia Crop & Livestock Insurance Commission:

Report on the Financial Statements

I have audited the accompanying financial statements of the Nova Scotia Crop & Livestock Insurance Commission, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and changes in fund balances, changes in net financial assets, and cash flows for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for the public sector and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in our audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nova Scotia Crop & Livestock Insurance Commission as at March 31, 2014, and the results of operations, changes in net financial assets, and its cash flows for the year ended March 31, 2014, in accordance with Canadian generally accepted accounting principles for the public sector.

Alan Horgan, CA
Acting Auditor General

June 26, 2014
Halifax, Nova Scotia

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	2014	2013
Financial Assets		
Cash	$ 378,019	$ 116,613
Investments (Note 3)	3,492,609	4,095,976
Receivable, trade (net of allowance of $103,120; 2013-$55,295)	166,474	201,735
Accrued interest receivable	5,546	5,223
	4,042,648	4,419,547
Liabilities		
Deferred revenue	39,674	38,216
Deposits for insurance	5,756	8,116
Indemnities payable	133,364	-
	178,794	46,332
Net Financial Assets	3,863,854	4,373,215
Non-financial Assets		
Tangible capital assets (Note 4)	-	353
Fund Balances	$ 3,863,854	$ 4,373,568

Contingency (Note 16)

On Behalf of the Commission

Director

Director

See accompanying notes to the financial statements

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2014

	Budget	Funds			Total 2014	Total 2013
		Crop	Livestock	General		
Revenue						
Insurance premiums (Schedule A)	$ 2,295,000	$ 1,851,813	$ 57,308	$ 77,381	$ 1,986,502	$ 1,996,949
Interest income	80,000	69,359	13,058	-	82,417	77,869
Strawberry assistance initiative - recovery (Note 18)	-	9,466	-	-	9,466	-
	2,375,000	1,930,638	70,366	77,381	2,078,385	2,074,818
Expenses						
Indemnity claims (Schedule A)	2,050,000	2,368,226	33,000	77,381	2,478,607	1,390,329
Bad debt expense	5,000	99,673	-	-	99,673	34,202
Administrative expenses (Note 8) (Schedule B)	1,046,000	931,310	19,352	16,919	967,581	873,012
Amortization of capital assets	-	-	-	353	353	24,292
Gain/loss on disposal of capital assets	-	-	-	-	-	3,218
Miscellaneous	-	-	-	-	-	664
Strawberry assistance initiative - expense (Note 18)	-	9,466	-	-	9,466	-
	3,101,000	3,408,675	52,352	94,653	3,555,680	2,325,717
Surplus (deficiency) before government contributions	(726,000)	(1,478,037)	18,014	(17,272)	(1,477,295)	(250,899)
Government contributions (Note 6)	1,046,000	931,310	19,352	16,919	967,581	873,012
Net deficiency (surplus)	$ 320,000	(546,727)	37,366	(353)	(509,714)	622,113
Fund balances, beginning of year		3,350,317	1,022,898	353	4,373,568	3,751,455
Fund balances, end of year (Note 5)		$ 2,803,590	$ 1,060,264	$ -	$ 3,863,854	$ 4,373,568

See accompanying notes to the financial statements

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
Net Financial Assets, beginning of year	$ 4,373,215	$ 3,723,592
Changes in the year		
Net (deficit) surplus	(509,714)	622,113
Amortization of tangible capital assets	353	24,292
Disposal of tangible capital assets	-	3,218
Total changes in the year	(509,361)	649,623
Net Financial Assets, end of year	$ 3,863,354	$ 4,373,215

See accompanying notes to the financial statements

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
Operating Activities		
Net deficiency (surplus)	$ (509,714)	$ 622,113
Amortization of tangible capital assets	353	24,292
Net change in non-cash working capital balances related to operations (Note 9)	167,400	(42,336)
Cash provided by (used in) operating activities	(341,961)	604,069
Capital Activities		
Disposal of tangible capital assets	-	3,218
Cash provided by capital activities	-	3,218
Investing Activities		
Acquisition of investments	(2,428,114)	(2,554,012)
Proceeds from disposal of investments	3,031,481	1,684,943
Cash provided by (used in) investing activities	603,367	(869,069)
Increase (decrease) in cash during year	261,406	(261,782)
Cash, beginning of year	116,613	378,395
Cash, end of year	$ 378,019	$ 116,613

See accompanying notes to the financial statements

1. Authority

The Nova Scotia Crop and Livestock Insurance Commission was established pursuant to Section 3(1) of the Nova Scotia Crop and Livestock Insurance Act (Act). Section 8(1) of the Act establishes Funds which are in the custody and control of the Commission to be used to administer crop and livestock insurance plans, as well as wildlife compensation, and conduct programs relating to these plans.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector, that for the purposes of the Commission's financial statements are represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

These financial statements are prepared using the following significant accounting policies:

Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over the assets estimated useful life, which for office furniture and equipment is five years and for computer hardware and software is two years. The Commission expenses tangible capital assets under $1,500.

Revenue

Revenue is recorded on the accrual basis. The main components of revenue are insurance premiums, interest income, and government grants for insurance premiums and administrative expenses. Insurance premium revenue is recognized when certificates for insurance are issued. Premium revenue relating to coverage subsequent to year end is deferred. Government grants for insurance premiums and administrative expenses are recognized as revenue in the period during which the grants are authorized and eligibility criteria are met, except when and to the extent the transfer includes stipulations that give rise to an obligation that meets the definition of a liability. The Commission receives contributions from the Province of Nova Scotia for the purchase of assets, which is recognized in revenue upon acquisition.

Indemnity claims

Expenses for indemnity claims are recorded when the loss of yield is incurred by the producer.

Financial Instruments

The Commission's financial instruments consist of investments in promissory notes, accounts receivable, deferred revenue, and deposits for insurance. The Commission measures its financial instruments at cost or amortized cost.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the

2. Significant accounting policies (continued)

reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Investments

The Commission invests with the Province excess funds to be used to pay future indemnity claims. At March 31, 2014 these funds were invested in various promissory notes maturing in fiscal years 2015 or 2016, with annual yields ranging from 1.21% to 2.80%.

4. Tangible capital assets

	2014	2013
Cost of Equipment		
Opening cost	$ 38,548	$ 148,292
Additions	-	-
Disposals		(109,744)
Closing cost	38,548	38,548
Accumulated amortization		
Opening balance	38,195	120,429
Disposals	-	(106,526)
Amortization expense	353	24,292
Closing balance	38,548	38,195
Net book value	$ -	$ 353

5. Fund balances

The Livestock Fund balance consists of dairy livestock insurance of $929,694 (2013 - $915,838) and poultry insurance of $130,570 (2013 - $107,060). A claim for indemnity under either the Dairy Livestock Insurance Plan or the Poultry Insurance Plan is limited to the extent of the assets in the Livestock Insurance Fund balance held by the Commission.

The General Fund includes wildlife compensation.

6. Government contributions

Insurance premiums

Under the crop insurance programs, producers pay 40% of the insurance premiums and the Federal and Provincial governments pay 36% and 24% respectively for the comprehensive portion of the insurance premiums. If an insurance premium contains a high-cost portion, the Federal and Provincial governments pay a reduced proportion of the high-cost portion of the insurance premium. The proportion of the insurance premium that is high-cost varies by plan and coverage level depending on the base rate for that particular plan. Neither the Federal nor Provincial governments cost share in the insurance premiums of the livestock and poultry insurance programs or in non-refundable deposits.

Administrative expenses

For the 2014 fiscal year, the Federal government contributed 60% (2013 - 60%) of the total administrative expenses for the crop insurance program, with the Provincial government funding the remainder. The Provincial government funds all of the administrative costs of the livestock and poultry insurance programs.

Wildlife program

The compensation payments and administrative expenses of the wildlife compensation program are funded 60% by the Federal government and 40% by the Provincial government.

7. Indemnity claims

Winter Grain

Winter Grain is planted in the fall, but not harvested until the following fall. Crop yields can fluctuate dramatically depending on factors such as weather conditions during the growing and harvesting seasons. As a result, the occurrence and amount of losses relating to the crop planted in the current year, if any, have not been incurred until well after the fiscal year end. Indemnity expenses for Winter Grain and related payables will be recorded in the year that the loss of yield, if any, is incurred.

Maple Syrup

In certain cases, indemnity expenses for Maple Syrup production losses related to premiums collected in the current fiscal year will not be incurred until after year end. Maple Syrup yields will fluctuate based on weather conditions. Indemnity expenses and related payables for Maple Syrup will be recorded in the year that the loss of yield, if any, is incurred.

8. Administrative expenses

The Commission offers three types of insurance plans: crop, dairy livestock and poultry, and a wildlife compensation program. The administrative expenses associated with offering these programs are detailed in Schedule B. The administrative expenses are allocated to the livestock and poultry plan at 2% of the total administrative expenses incurred by the Commission. The administrative expenses of the wildlife compensation program are allocated based upon direct travel and staffing costs associated with investigating and adjusting wildlife claims, as well as an additional 25% of these costs for other fixed administrative costs of this plan. The remaining administrative costs, after deducting those attributable to the livestock and poultry plans, and wildlife compensation program, are allocated to the crop insurance plan.

9. Net change in non-cash working capital balances related to operations

	2014	2013
Increase (decrease) in cash from changes in:		
Receivables	$ 35,261	$ (28,621)
Accrued interest receivable	(323)	(1,625)
Deposits for insurance	(2,360)	(5,054)
Indemnities payable	133,364	(15,837)
Deferred revenue	1,458	8,801
	$ 167,400	$ (42,336)

10. Financial instruments

The Commission is exposed to credit risk on the accounts receivable from its clients. In order to reduce its credit risk, the Commission has adopted credit policies which include the analysis of the financial position of its clients and the regular review of their credit limits. The Commission does not have a significant exposure to any individual client. It is management's opinion that the Commission is not exposed to any significant market or liquidity risks.

11. Related party transactions

Administrative expenses include $30,000 (2013 - $30,000) for rent and $44,240 (2013 - $44,240) for miscellaneous professional services that were charged to the Commission by the Nova Scotia Department of Agriculture.

12. Economic dependence

The Commission is economically dependent upon the ongoing and future funding of the Nova Scotia and Federal governments.

13. Insurance coverage

The total insurance coverage issued during the 2013-14 fiscal year was $161,511,450 (2013 - $177,713,429), comprised of crop insurance of $38,083,154 (2013 - $33,005,716), livestock insurance of $35,233,334 (2013 - $45,373,869) and poultry insurance of $88,194,962 (2013 - $99,333,844).

14. Statement of remeasurement gains and losses

The Commission has no remeasurement gains or losses; therefore, no statement of remeasurement gains or losses has been provided.

15. Pension and post-retirement benefits

All full time employees of the Commission are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Commission's operating expenses. The Public Service Superannuation Fund is administered by the Nova Scotia Pension Services Corporation. The Commission is not responsible for any unfunded liability or other obligations related to post-retirement benefits. The pension expense incurred in the current year was $42,015 (2013 - $40,584).

16. Contingent liabilities

There is currently ongoing arbitration regarding the denial of an indemnity claim, for which the outcome is undeterminable. Consequently, no provision for any possible loss has been recorded in these financial statements.

17. Public Sector Compensation Disclosure Act

Under the Public Sector Compensation Disclosure Act, all organizations which are part of the Government Reporting Entity must disclose all compensation paid to any person that is greater than $100,000. There are no amounts to disclose under this Act.

18. 2013 Canada-Nova Scotia Strawberry Assistance Initiative

In 2013-14 the Commission supported the administration of the Canada-Nova Scotia Strawberry Assistance Initiative, by providing staff resources to measure and verify crop acreage for this program. All the administrative costs of the Commission related to this program were recovered from the Department of Agriculture's Programs and Business Risk Management Division.

19. Comparative figures

Certain of the prior year's figures have been reclassified to conform to the presentation format adopted in the current year.

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
PREMIUM REVENUE AND INDEMNITY CLAIMS
FOR THE YEAR ENDED MARCH 31, 2014

SCHEDULE A

	Premium Revenue					Indemnity Claims	
	Producer	Federal	Provincial	2014	2013	2014	2013
Crop insurance							
Spring grain	$ 12,462	$ 8,198	$ 5,465	$ 26,125	$ 26,134	$ 17,844	$ 5,636
Winter grain	8,273	6,464	4,309	19,046	15,708	5,759	9,055
Tree fruit	160,622	160,223	106,816	427,661	375,199	951,731	250,470
Corn [1]	83,839	75,455	50,303	209,597	176,522	402,235	31,250
Weather derivative	56,159	50,543	33,696	140,398	134,517	215,523	49,847
Blueberries	355,199	247,362	164,908	767,469	847,276	581,422	476,311
Strawberries and raspberries	7,105	4,211	2,808	14,124	18,917	6,950	41,703
Maple syrup	7,729	6,957	4,638	19,324	22,596	-	-
Forage	182	163	109	454	368	-	-
Soybeans	22,605	20,345	13,563	56,513	61,680	77,197	38,782
Potatoes	23,204	16,895	11,263	51,362	46,968	-	133,553
Vegetables	60,185	35,733	23,822	119,740	132,282	109,565	247,357
	797,564	632,549	421,700	1,851,813	1,858,167	2,368,226	1,283,964
Livestock insurance							
Livestock	34,511	-	-	34,511	32,202	33,000	24,600
Poultry	22,797	-	-	22,797	24,815	-	-
	57,308	-	-	57,308	57,017	33,000	24,600
Wildlife Compensation	-	46,428	30,953	77,381	81,765	77,381	81,765
Total	$ 854,872	$ 678,977	$ 452,653	$ 1,986,502	$ 1,996,949	$ 2,478,607	$ 1,390,329

(1) Corn indemnities include $82,059 representing management's best estimate of a claim not settled by March 31, 2014.

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP & LIVESTOCK INSURANCE COMMISSION
EXPENSES
FOR THE YEAR ENDED MARCH 31, 2014

SCHEDULE B

	Insurance			Totals	
	Crop	Livestock	Wildlife/General	2014	2013
Personnel	$ 646,588	$ 13,392	$ 9,600	$ 669,580	$ 672,272
Transportation and communication	51,813	1,156	4,857	57,826	66,235
Information	7,569	160	254	7,983	8,753
Professional and special services	146,922	3,018	947	150,887	37,781
Office accommodation and equipment rental	31,606	659	677	32,942	34,281
Repair and maintenance of equipment	73	1	-	74	55
Materials and supplies	564	22	508	1,094	3,158
Minor equipment purchases	2,820	59	76	2,955	6,196
Central government services	43,355	885	-	44,240	44,281
Total Administrative Expenses (Note 8)	931,310	19,352	16,919	967,581	873,012
Gain/loss on disposal of capital assets	-	-	-	-	3,218
Miscellaneous	-	-	-	-	664
	-	-	-	-	3,882
Indemnity claims – Schedule A	2,368,226	33,000	77,381	2,478,607	1,390,329
Bad debts	99,673	-	-	99,673	34,202
Amortization	-		353	353	
Strawberry assistance initiative	9,466	-	-	9,466	24,292
	2,477,365	33,000	77,734	2,588,099	1,448,823
TOTAL EXPENSES	**$ 3,408,675**	**$ 52,352**	**$ 94,653**	**$ 3,555,680**	**$ 2,325,717**